

Return of Title IV Funds Policy When a Student Withdraws

The Federal Government specifies how SJFC determines the amount of Title IV program assistance that you earn if you withdraw from the College. The Title IV programs that are covered by this law are: Federal Pell Grants, TEACH Grants, Federal Direct Student Loans, PLUS Loans, Federal Supplemental Educational Opportunity Grants (FSEOGs) and Federal Perkins Loans.

When you withdraw during your payment period or period of enrollment, the amount of Title IV program assistance that you have earned up to that point is determined by a specific formula. If you received (or SJFC or your parent received on your behalf) less assistance than the amount that you earned, you may be able to receive those additional funds. If you received more assistance than you earned, the excess funds must be returned by the school and/or you.

The amount of assistance that you have earned is determined on a prorata basis. For example, if you completed 40% of your payment period or period of enrollment, you earn 40% of the assistance you were originally scheduled to receive. Once you have completed more than 60% of the payment period or period of enrollment, you earn all the assistance that you were scheduled to receive for that period.

If you did not receive all of the funds that you earned, you may be due a Post-withdrawal disbursement. If your Post-withdrawal disbursement includes loan funds, SJFC must get your permission before the funds can be disbursed. You may choose to decline some or all of the loan funds so that you don't incur additional debt. SJFC may automatically use all or a portion of your Post-withdrawal disbursement of grant funds for tuition, fees, room and board charges. SJFC needs your permission to use the Post-withdrawal grant disbursement for all other school charges. If you do not give your permission, you will be offered the funds. However, it may be in your best interest to allow SJFC to keep the funds to reduce your debt on your student account.

There are some Title IV funds that you were scheduled to receive that cannot be disbursed to you once you withdraw because of other eligibility requirements. For example, if you are a first-time, first-year undergraduate student and you have not completed the first 30 days of your program before you withdraw, you will not receive any Direct Loan Funds that you would have received had you remained enrolled past the 30th day.

If you receive (or SJFC or parent receives on your behalf) excess Title IV program funds that must be returned, SJFC must return a portion of the excess equal to the lesser of:

1. Your institutional charges multiplied by the unearned percentage of your funds, or
2. The entire amount of excess funds.

SJFC must return this amount even if it didn't keep this amount of your Title IV program funds.

If SJFC is not required to return all of the excess funds, you must return the remaining amount. Any loan funds that you must return, you (or your parent for a PLUS loan) repay in accordance with the terms of the promissory note. That is, you make scheduled payments to the holder of the loan over a period of time.

Any amount of unearned grant funds that you must return is called an overpayment. The maximum amount of a grant overpayment that you must repay is half of the grant funds you received or were scheduled to receive. You do not have to repay a grant overpayment if the original amount of the overpayment is \$50 or less. You must make arrangements with SJFC or the Department of Education to return the unearned grant funds.

The requirements for Title IV program funds when you withdraw are separate from SJFC's refund policy. Therefore, you may still owe funds to SJFC to cover unpaid institutional charges. SJFC may also charge you for any Title IV program funds that the school was required to return. Our institutional refund policy can be found on the Student Accounts webpage as well as the procedures for officially withdrawing from the College.